are arguing to the Commission? I agree they 1 may not be happy but that is their argument. 2 They argue that the 3 MR. CARROLL: reason they would get 85 percent is they want 4 They just want equal treatment. 5 That's all they want. And if equal treatment 6 meant that, fine. Or if equal treatment meant 7 that we would take our channels down to a 8 9 sports tier, they say, I leave it to you to judge the credibility of this one, they say 10 oh, that would be fine, too. 11 Now mind you, two things about 12 13 We come back to that pitch that was made to us in 2009. That is the starting 14 place for the discrimination claim, right 15 there. If you look at the pleadings, that is 16 how they based this case. They never made 17 When they showed 18 that argument at that time. up to Mr. Bond, they didn't say --19 MS. BERGOLD: But we have to look 20 at the arguments they make to the Commission, 21 not the arguments they make to you in private 22

negotiations. 1 2 MR. CARROLL: Oh, The no. 3 negotiations are the whole record evidence you have to decide is discriminatory. You are 4 being asked to decide basically --5 6 MS. BERGOLD: No, I mean 7 relief they are asking for. Well okay. MR. CARROLL: 8 9 discrimination act, you are being asked to decide that the explanation Mr. Bond made for 10 why he decided what he did, you should reject 11 12 as not credible because Mr. Bond is really 13 lying and really, he was discriminating. That 14 is the essence of this case. It comes down to 15 Mr. Bond versus Mr. Solomon. And you would, in essence, have to find that Mr. Bond, 16 although he said it was because of cost, and 17 although said it was because the 18 he 19 programming really wasn't valuable enough --MS. BERGOLD: Well can't you have 20 21 dual -- Can't you have both a legitimate cost

consideration and -- Is it possible to have

1	both a discriminatory motive and a legitimate
2	cost concern?
3	MR. CARROLL: A discriminatory
4	motive and a legitimate cost concern?
5	MS. BERGOLD: Let's say
6	MR. CARROLL: Well okay, yes.
7	Yes. Hold on. The answer to that is yes but
8	the motive has to be acted on.
9	Every vertical integrated company
10	is motivated, could have a motivation to be
11	discriminatory. Right? That is the building
12	block of their case. In theory they could
13	have that motivation.
14	The question is, did they act on
15	it and do something that was discriminatory.
16	And if what they did is make a cost decision,
17	then we know from MASN, because this is where
18	MASN is, as I read it, cost and that cost
19	benefit is what you should be doing, what else
20	should Mr. Roberts and his colleagues running
21	this company for their shareholders of America

and around the world who are investors in it,

1	what else are they supposed to be doing, other
2	than running a profit-making organization and
3	looking at cost?
4	MS. BERGOLD: If you wouldn't
5	mind, can I ask you questions on a different
6	subject?
7	MR. CARROLL: Yes. Can I add one
8	thing and then I will listen to you?
9	MS. BERGOLD: Sure. Absolutely.
10	MR. CARROLL: Just, one of my
11	colleagues makes a point and it is a good one.
12	In the recent affirmance of Your Honor's
13	Wealth TV decision, the Commission itself
14	writes that it is critical to look at the
15	detailed negotiations between the parties and
16	how the parties defined their rights. The
17	Commission has now written that as what is
18	supposed to happen.
19	Your next question.
20	MS. BERGOLD: Okay. I'm sorry.
21	There is just a lot of different
22	I would like to ask you some on

1	this similarly situated.
2	MR. CARROLL: Yes.
3	MS. BERGOLD: Your argument, of
4	course, is that Tennis Channel isn't similarly
5	situated to Golf and Versus. Can you identify
6	for me any unaffiliated cable network that
7	Comcast carries on any of its systems that
8	would be similarly situated with Golf Channel?
9	MR. CARROLL: Sure, all the RSNs.
10	MS. BERGOLD: So the RSNs
11	MR. CARROLL: Let me If I
12	accept their definition of what it means to be
13	similarly situated, that is, they say if it is
14	sports programming that appeals to
15	predominantly men,
16	MS. BERGOLD: No, no, no. I'm not
17	asking you to accept their definition. I am
18	asking you what
19	MR. CARROLL: Well, I say that
20	because I haven't done a study or had an
21	expert for me to a study of all the Regional
22	Sport Networks.

1	MS. BERGOLD: Okay.
2	MR. CARROLL: You know what those
3	are. Okay? But they carry all the local
4	sporting teams around the country. We don't
5	own any of them but they are all out there
6	being broadly distributed. They compete with
7	us. In fact, we have some Regional Sport
8	Networks of our own that compete with the ones
9	that we are giving the same broad distribution
10	to under I think at least their version of
11	what it means to be similarly situated, they
12	would be similarly situated.
13	MS. BERGOLD: How are they
14	different from the Tennis Channel? I mean,
14 15	different from the Tennis Channel? I mean, why is the Tennis Channel not similarly
15	why is the Tennis Channel not similarly
15 16	why is the Tennis Channel not similarly situated and the Regional Sports Network
15 16 17	why is the Tennis Channel not similarly situated and the Regional Sports Network similarly situated to the Golf Channel?
15 16 17 18	why is the Tennis Channel not similarly situated and the Regional Sports Network similarly situated to the Golf Channel? MR. CARROLL: Well, I used his
15 16 17 18	why is the Tennis Channel not similarly situated and the Regional Sports Network similarly situated to the Golf Channel? MR. CARROLL: Well, I used his definition of what similarly situated is.

1	them. I mean, I listened to Mr. Egan was
2	here. And was their expert, was it Mr.
3	Brooks? I've lost track of all the experts.
4	We had two experts here analyze just as
5	between tennis and Golf and Versus that
6	similarity.
7	I have not had an expert analyze
8	for me the other RSNs or for that matter the
9	Outdoor Network and the Sportsman Channel.
10	From the sounds of them and what they carry,
11	a lot of fishing and hunting activities, they
12	sound like they are in the Versus space to me.
13	MS. BERGOLD: And I asked you
14	about Golf.
15	MR. CARROLL: I know. And as to
16	Golf, I don't know. I mean, if you take their
17	broad view of a sports programming, then you
18	may be hard-pressed to say that Golf is not
19	similarly situated to the RSNs. I don't know
20	if my client would agree with that, though,
21	and I haven't analyzed the RSNs.
22	MS. BERGOLD: Okay. Well then I

will ask you something about Mr. 1 Egan's 2 testimony. 3 MR. CARROLL: Sure. MS. BERGOLD: He doesn't use a 4 genre analysis, which was one of the analyses 5 he used in Wealth TV. He says that some of 6 the differences are that the Tennis Channel 7 predicts an international hip image; whereas, 8 9 the Golf Channel, it is a stayed country club look. He uses the example of somebody sitting 10 11 before a fireplace. subscribers really care if 12 Roger Federer is Swiss or Tiger Woods 13 American? I mean, how does international fit 14 into this when it seems at least likely that 15 subscribers are looking at the sports events. 16 17 That the sports is what is motivating, not the 18 international. And as far as the hip image, I 19 mean, the fact that there is a program about 20 a golf swing or a tennis serve and it is in 21 front of a fireplace or it is in a hip 22

1	situation, what does the background matter?
2	I mean, how is this relevant for similarly
3	situated?
4	MR. CARROLL: Okay. My children
5	who watch a lot more TV than me say it makes
6	a huge difference. That if you have a golfer
7	in a country club doing something versus, you
8	know, some other hip internationals, I mean
9	those differences MTV, you know, VH1
10	MS. BERGOLD: Okay, how does the
11	international
12	MR. CARROLL: No, I am not an
13	expert on this, so I am going to give you my
14	understanding.
15	MS. BERGOLD: No, but your expert
16	testified.
17	MR. CARROLL: He did and I want to
18	say a couple of things in his defense, first
19	of all. First of all, the Enforcement Bureau
20	got his name wrong in their brief, got Mr.
21	Egan's name wrong. And second, this is the
22	same Mr. Egan who was, I know, in front of

this court in the Wealth TV matter and whose testimony on look and feel was credited enormously.

MS. BERGOLD: But that was in a

MS. BERGOLD: But that was in a situation where he said there were different genres.

MR. CARROLL: Well, he said that the differences there were sufficient to constitute different genres but his opinion making and the expertise he was bringing and the way he did it, exactly the same as he has done here. If you look at the words he used to describe was his Mojo and Wealth TV and how they compared, he sat down, he looked at the programming and he started describing what kind of an atmosphere and who they were appealing to and those kinds of things. It is exactly what he did here.

Now, he can't make the point here, and he didn't because he is a credible guy, he is testifying honestly, he can't say they are completely different genres. They are both

	sports here, Gorr, Tennis, and you know,
2	Versus is activities.
3	MS. BERGOLD: No, but here you
4	have a situation where there is this same
5	genre and he is testifying, unlike a different
6	situation than Wealth TV
7	MR. CARROLL: Right.
8	MS. BERGOLD: that the look and
9	feel overrides the same genre.
10	MR. CARROLL: He says that the
11	look and feel is a distinguishing feature and
12	
13	MS. BERGOLD: That makes it not
14	similarly situated, notwithstanding the fact
15	that it is the same genre.
16	MR. CARROLL: Yes, for purposes of
17	the discrimination issue.
18	MS. BERGOLD: Yes.
19	MR. CARROLL: And that makes sense
20	to me. I will tell you why, although he was
21	here and I would invite you to read his
22	testimony. You can tell I am a little

1 irritated about this. I will say this The Enforcement Bureau dismisses 2 politely. 3 him in a line or two as giving subjective 4 opinions. And this is the same man who they endorsed and the Court endorsed for subjective 5 opinions based on programming differences in 6 7 Wealth TV. It is the same activity. I think one needs to get inside 8 the details of the testimony, study the record 9 and see whether something makes sense. 10 11 -- I will give you -- Is this Golf I 12 comparing to or is it Versus or both of them? 13 MS. BERGOLD: Golf. Well, start 14 with Golf. Start with Golf. MR. CARROLL: 15 To me, it makes sense to me what His 16 17 said at the beginning. Golf is Honor different than tennis. People who play one 18 19 don't play the other. I happen to belong to a country club that only has rackets. 20 We 21 don't have golf. I caddied when I grew up and

the golf

club

the caddy scene on

completely different than the tennis scene.

And Roger Federer and Rafa Nadal is a rock star. He will advertise to my generation, my children's generation products far more successfully than anybody, any golfer except maybe Tiger Woods.

My family and my kids could care less -- Now, this isn't evidence. I am just answering your question. You can cut me off at any time. They could care less about what heavyset golfer is up there swinging a golf club. But Rafa Nadal with his cutoff sleeves out there running all over the court --

And, in fairness, Mr. Solomon in his own words has pitched this somewhat the same way. In Exhibit 704, this is another exhibit that I asked him about on the equity for carriage notes. This is his pitch to DirecTV. Listen to what he says. "This will be the easiest cool move you will make." Now the cool move is tennis. This is how he is describing to DirecTV. This is why you should

NEAL R. GROSS COURT REPORTERS AND TRANSCI

words.

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go with us. We are cool. And he talks about this hotter than ever sport and its young fit, and then he says, "ahem, super attractive young stars." He is winking at the little sex attractiveness of the stars in the tennis circuit here. And he is saying it is a casting director's dream. Also, do a new dance by having the only major sport promote that "women love" and play equally if not more than men. He is pitching it. even using terminology like this: "Get in bed at the time with a sport." These are his

He would never write this about Nobody -- You would be a comedic golf. routine if they pointed the late night comedy acts, you know Conan or one of those guys, they could make a hilarious routine out of taking these same words and applying them to Everybody would think that was a golfer. hilarious because it is not true. Golf is not hip. It is not cool. And Mr. Solomon, in his own words pitches it this way.

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Now you have to decide, I guess if you get to this issue, not me, whether that is enough to make a difference. And Mr. Egan says it is distinguishing when it gets to targeted advertisements.

And you know, they say there is a whole lot of overlap on the advertisers. would invite you to look at the record. The actual common advertisers out of the top 25 was like one for one of the networks and three for the other network. They try to fudge over that issue by saying, people include not only the that advertised with us but the people we are talking to and we want to sell advertising to. And then they say, see, there are a lot more. And these are people they have been talking to after the lawsuit. And they have criticized me for having --

MS. BERGOLD: Is there any evidence to show that their advertising people

1	were motivated for litigation reasons? Is
2	that what you are implying?
3	MR. CARROLL: No more than there
4	is for them to make that allegation against
5	me.
6	MS. BERGOLD: No, no. I'm not
7	making that. I am asking.
8	MR. CARROLL: No, they made it, I
9	think.
10	MR. BANNISTER: Right but I am
11	asking what your allegation is.
12	MR. CARROLL: My allegation is
13	that if their view is that because Ms. Gaiski
14	thought, because they threatened it, thought
15	they might be sued, that you should discard
16	her notes as not credible.
17	If that is their position, then I
18	guess we should discard all of the activities
19	they have been engaged in since they were
20	planning to bring the lawsuit because one
21	thing is for sure. The letter, remember the

1 before the meeting? Mr. Solomon didn't write that letter. One of the guys at this side of 2 3 the table wrote this letter. Now, I have never thought it was 4 fair game to say, oh we should discount 5 everything Mr. Solomon is doing because he 6 7 got legal advice along the way. And I think it is a cheap shot for them to suggest that 8 9 somehow because Ms. Gaiski is finally getting legal advice, too, you should disregard all 10 11 her checking and evidence as not credible. It 12 doesn't make any sense. That is my point. initiated 13 Ι have never 14 argument. They are the ones who initiated the 15 I am responding to it. I just argument. 16 think that is not fair. Well. 17 MS. BERGOLD: it is It may be a different type of 18 different. 19 argument but are you -To 20 MR. CARROLL: put an 21 exclamation mark on this, in its opinion in MASN, the FCC actually described it as the 22

prudent thing to do in my client's situation 1 to document for litigation the discussions 2 they have about carriage. That is actually in 3 It recommends it as the 4 the MASN opinion. 5 prudent course. dead 6 Somehow, Ι am beating 7 horse, probably you want to move on to another question, they are arguing that my following 8 MASN and doing a prudent course should be 9 regarded as -- should be disregarded for that 10 11 reason. It makes no sense. And I would ask you to evaluate 12 the credibility of the witnesses based on how 13 14 they performed on the stand and how they answered questions and not things like who 15 where their lawyers at the time and what were 16 the lawyers doing behind the scenes. That is 17 18 my point. I can't tell whether you have 19 another one on your list or you want me to 20 finish up with anything else I have. 21

Now as you can tell, I am way out

1	I am not even near my prepared copy.
2	MS. BERGOLD: Actually, I have a
3	couple
4	JUDGE SIPPEL: You are doing all
5	right without your script.
6	(Laughter.)
7	MS. BERGOLD: I had a couple of
8	questions about the revealed preferences
9	MR. CARROLL: Yes.
10	MS. BERGOLD: from Mr. Orszag's
11	testimony.
12	MR. CARROLL: Yes.
13	MS. BERGOLD: He didn't take into
14	account He took into account the coverage
15	of only the cable companies. Wouldn't it have
16	been more accurate to look at the coverage of
17	everybody? All of Comcast's competitors?
18	MR. CARROLL: Two answers to that.
19	First, he looks at all of them and his Exhibit
20	is 1103, I guess, and they are all listed
21	there. He doesn't ignore them. He presents
22	the evidence

1	MS. BERGOLD: Okay.
2	MR. CARROLL: and then he
3	prepared, in addition to DirecTV, Verizon,
4	Cox, they are all on that list in that
5	exhibit, he prepared one at the bottom that
6	said all cable companies, other than Comcast.
7	My understanding is that he points
8	to that and he says, if you want to look at
9	the companies that are most like Comcast, that
10	are in the cable business like Comcast, this
11	is what it would look like and we think that
12	is arguably the most instructive slice to look
13	at.
14	Here we get into now a debate over
15	well what do we do with DirecTV and Dish.
16	They have equity for carriage deals.
17	MS. BERGOLD: And not only DirecTV
18	and Dish. You have the telecos.
19	MR. CARROLL: I am going to go
20	there.
21	MS. BERGOLD: Okay.
22	MR. CARROLL: So I will jump right

1 to them now. I love the telecos. I love the One of those telecos had zero 2 telecos. distribution in 2009 when they made the pitch 3 AT&T wasn't carrying them at to my client. 4 5 all. Zero. MS. BERGOLD: And what are they 6 doing now? 7 In 2010 they cut a 8 MR. CARROLL: 9 deal and they took them on at 25 percent, I But in 2009, the time of my client's 10 think. alleged discrimination when you are preparing 11 what is going on out there --12 MS. BERGOLD: Well is it --13 MR. CARROLL: Well I think fair is 14 fair. You have to look at Mr. Bond and judge 15 And I think it makes was he discriminating. 16 a difference whether everybody else 17 already granting more distribution or were 18 other people not granting it. 19 20 In 2009, one of the telecos gave One of the cable companies, 21 Cablevision, had them at zero at that point. 22

1	And then they had a fight over the U.S. Open.
2	It was notorious. It was in the press.
3	Tennis Channel and Cablevision and they were
4	trying to force Cablevision to carry them
5	broadly and Cablevision did a deal where they
6	signed on to the NCTC deal and carried them
7	under that contract on a more limited level.
8	But at the time, my client was
9	being pitched that you have to give us broader
10	distribution. We want D1 or D0 and it was
11	either one. AT&T gave them nothing at that
12	point in time.
13	MS. BERGOLD: Well I guess my
14	question is more generic. Does Comcast
15	believe that in making the analysis, you know,
16	should it look at just cable companies or all
17	companies?
18	MR. CARROLL: I think
19	MS. BERGOLD: Or was it, I guess,
20	irrespective of how they did.
21	MR. CARROLL: You have Mr.
22	Orszag's testimony on this. I think from my

perspective as the lawyer advocating the case 1 to you, and I am looking at both of you. 2 don't mean to not see --3 JUDGE SIPPEL: That's all right. 4 Go ahead. 5 I'm MR. CARROLL: -- Your Honor. 6 just trying ask the questions directly. 7 JUDGE SIPPEL: Go right ahead. 8 MR. CARROLL: I think you should 9 10 look at both. I think you should weigh them I think you should look at 11 as fact finders. the fact that some of them are higher and ask 12 13 how did they get there and when did they get 14 there. And I think one factor for you to 15 consider is the fact that it is interesting 16 17 that cable companies, my client compared to other cable companies, is actually above 18 average. I don't think that as a lawyer, I am 19 not telling you that is the ending analysis, 20 But I think that is as legitimate a 21 though.

way to look at it, as their way where they say

1	well we want to include the guys that we gave
2	equity to in order to get our carriage because
3	that is not part of what they are asking for
4	now. Your Honor asked that question. They
5	are not saying, we are going to give you
6	equity now. That is not what they are
7	insisting on. They are trying to demand
8	carriage with no launch support.
9	JUDGE SIPPEL: Well in a sense,
10	are you arguing that that is part of the
11	similarly situated situation? If you are
12	trying to use apples and oranges and the
13	oranges are with other companies but they have
14	given up equity,
15	MR. CARROLL: Right.
16	JUDGE SIPPEL: and you are the
17	apple because you aren't given up equity,
18	MR. CARROLL: Correct.
19	JUDGE SIPPEL: you are really
20	looking at I think this is what, I'm not
21	sure you are getting it or whatnot Well let
22	me ask the question straight.

1	Do you think that is a factor in
2	determining whether or not there are similar
3	situations?
4	MR. CARROLL: I do. I do. I
5	think it is factoring in it cuts in favor
6	of saying they are not similarly situated.
7	And I think you have to consider
8	all those types of factors. It can't just be
9	a generic Their approach is pretty much
10	generic to say here is what all the affiliates
11	are doing. All the affiliates have better
12	carriage.
13	And I want to cover one point.
14	This is one I know I want to cover before I am
15	done. And let me make this point, if I have
16	responded to your question first, Your Honor -
17	_
18	JUDGE SIPPEL: Yes, go ahead.
19	MR. CARROLL: which is the
20	professional leagues. This drives me crazy.
21	The evidence about how the professional
22	leagues got their equity is completely